

Chief, Industrial Division

17 April 1958

Chief, Shipbuilding Branch

I/SH Program for F.Y. 1959.

1. The I/SH program for F.Y. 1959 includes two branch projects. The first (Project No. 35.1933) is a detailed economic study of the shipbuilding capabilities of Economic Region III in the USSR and represents the first step in the branch's long range program of gaining competence in estimating in detail the shipbuilding capabilities of the USSR. The long range aspect of this project is believed to be "spelled out" in the intelligence problem write-up of the PFM.

2. The second project (Project No. 35.2394) pertains to ship costing and is part of a long range program to gain competence in that operation.

3. It should be pointed out that a reduction in analyst T.O. from 12 to 5 has reduced the effectiveness of this Branch materially in carrying out and completing its long range program.

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